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C O N F I D E N T I A L SECTION 01 OF 02 STATE 009902

## STPDTS

E.O. 12958: DECL: 02/03/2019 TAGS: <u>ETTC PARM PREL MASS</u>

SUBJECT: REQUEST PERMISSION FOR BOARDING OF M/V DIPLOMAT

REF: STATE 6459

Classified by EAP/CM Dep Dir SThornton, Reason 1.4 (b) and (d).

11. (U) This is an action request. Please see paragraph 7.

## BACKGROUND

- 12. (C) The Hong Kong flagged ship M/V Diplomat is carrying a Bladerunner 51 powerboat the U.S. believes is intended for Iran, specifically the Islamic Revolutionary Guard Corps Navy (IRGCN). The U.S. Department of Commerce has reason to believe that the South African firm Icarus Marine Ltd is responsible for attempting to ship this speedboat to Iran. On January 22, the U.S. Department of Commerce (DOC) issued a Temporary Denial Order (TDO), suspending the export privileges of Icarus Marine Ltd. of South Africa. According to the January 22 TDO, the Department of Commerce developed evidence that Icarus Marine Ltd. of South Africa, which DOC suspects of attempting to ship this powerboat, named the Bradstone Challenger, from Durban, South Africa to Bandar Abbas, Iran. The Bradstone Challenger was constructed in the United Kingdom, but contains U.S. content over the deminimis level required to subject the vessel to U.S. export controls for re-export to Iran.
- 13. (C) The TDO prohibited Icarus Marine from among other things, carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or other servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Export Administration Regulations (EAR), or in any other activity subject to the EAR; or benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the EAR, or in any other activity subject to the EAR. Additionally, the TDO prohibited AY PERSON from, among other things, exporting or re-exporting to or on behalf of any denied person, any item subject to the EAR.
- 14. (C) Iran and its military have invested substantially in developing its naval forces. The IRGCN has been involved in enhancing its asymmetric naval warfare capabilities, including the use of "swarming" tactics by well-armed small boats and fast-attack craft, to mount surprise attacks. The IRGCN has recently deployed mobile coastal missile batteries, modern anti-ship missiles mounted on fast-attack craft, semi-submersibles, midget submarines, modern naval mines, UAVs, and improved command, control, communications, and intelligence. We are concerned that this boat may be used as part of the IRGCN's asymmetric warfare practices.
- 15. (C/NF) The Department of Commerce delivered notices to the offices of Icarus Marine in South Africa on January 23. However, the M/V Diplomat still sailed with the Bladerunner 51 on board. The U.S. would like to request permission of the flag state Hong Kong to board this vessel in order obtain information related to the transaction that may assist

law enforcement in investigating the transaction.

## **OBJECTIVES**

- 16. (U) Post should seek to:
- --Obtain permission for the U.S. to board the M/V Diplomat in order to obtain information about the transfer of the Bladerunner.

## ACTION REQUEST

17. (U) Post is requested to approach appropriate host government officials to ask permission for the U.S. personnel to board the M/V Diplomat. Post may draw upon the following points:

Begin Talking Points

- --We appreciate the Hong Kong Government's past cooperation on nonproliferation efforts and continued support in ensuring that Hong Kong's port facilities and shipping registry remain a reliable and respected entity in the global shipping business.
- --Perceptions that Hong Kong is being used by bad actors such as the IRGCN to conduct transactions may have negative

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impacts on Hong Kong's reputation as a respected, global shipping registry.

- --We request Hong Kong's consent as flag state to board the M/V DIPLOMAT in order to confirm the presence of a Bladerunner 51 powerboat, take photographs, and obtain copies of documentation concerning the Bladerunner. We are concerned that the Bladerunner will be employed by the Iranian Revolutionary Guard Corps (IRGC), specifically the IRGC Navy (IRGCN).
- --Iran and its military have invested substantially in developing its naval forces. The IRGCN has been involved in enhancing its asymmetric naval warfare capabilities, including the use of "swarming" tactics by well-armed small boats and fast-attack craft. The IRGCN has recently deployed modern anti-ship missiles on mounted fast-attack craft.
- --The IRGC Navy arms these vessels with torpedoes, rocket launchers, and anti-ship missiles to launch surprise attacks. Actions such as these contribute to regional and global instabilities.
- --We are happy to provide Hong Kong with a report following the boarding on information that we find in regard to the cargo in question. We look forward to a continued dialogue on how best to cease shipments that jeopardize global peace and stability.

End Talking Points.

18. (U) Post's assistance is greatly appreciated. Department POC is Margaret T. Mitchell (mitchellmt2@state.sgov.gov; 202-647-2433). CLINTON